

# HOUSE BILL REPORT

## EHB 1016

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**As Passed House:**  
March 14, 2005

**Title:** An act relating to homeowner's insurance.

**Brief Description:** Limiting when the presence of a dog may affect the availability of homeowner's insurance.

**Sponsors:** By Representatives Campbell, Kirby, Appleton and Simpson.

**Brief History:**

**Committee Activity:**

Financial Institutions & Insurance: 1/18/05, 1/27/05 [DP].

**Floor Activity:**

Passed House: 3/14/05, 71-25.

### Brief Summary of Engrossed Bill

- Prohibits insurers that write homeowner's insurance from taking specified underwriting actions based on whether or not the applicant or insured owns or harbors a specific breed of dog. The prohibitions do not apply if the homeowner owns or harbors a dangerous dog as defined in current law.
- Allows an insurer to require an insured to provide written certification from the insured that the dog provides little risk based on the dog's nature and history.
- Allows an insurer to require an insured to provide written certification from third parties that the dog provides little risk based on the dog's nature and history. This may be in the form of a statement from a licensed veterinarian, a statement from a licensed dog trainer from a canine obedience school, or a canine good citizen certificate from the American Kennel Club.

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### HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

**Majority Report:** Do pass. Signed by 6 members: Representatives Kirby, Chair; Ericks, Vice Chair; Santos, Schual-Berke, Simpson and Williams.

**Minority Report:** Do not pass. Signed by 4 members: Representatives Roach, Ranking Minority Member; Newhouse, Serben and Tom.

**Staff:** Jon Hedegard (786-7127).

## **Background:**

### Authority of the Insurance Commissioner

The Office of the Insurance Commissioner (OIC) is responsible for the licensing and regulation of insurance companies doing business in the state. The authority of the OIC includes the oversight of homeowner's insurance policies. Homeowner's policies and rates are filed with the OIC for review and approval.

### Current law

Current law prohibits "unfair discrimination" between insureds that have substantially similar risk factors, exposure factors, and expense elements. Current law does not prohibit insurers from having underwriting restrictions on the basis of the type or breed of dog.

### Dangerous Dog

Dangerous dog is defined in law as "any dog that (a) inflicts severe injury on a human being without provocation on public or private property, (b) kills a domestic animal without provocation while the dog is off the owner's property, or (c) has been previously found to be potentially dangerous because of injury inflicted on a human, the owner having received notice of such and the dog again aggressively bites, attacks, or endangers the safety of humans."

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## **Summary of Engrossed Bill:**

Insurers writing homeowner's insurance may not make underwriting decisions based on whether or not the applicant or insured owns or harbors a specific breed of dog. Insurers writing homeowner's insurance are specifically prohibited from:

- denying an application for a homeowner's policy;
- canceling an existing policy;
- refusing to renew a policy; or
- modifying an existing policy.

The prohibitions do not apply if the homeowner owns or harbors a dangerous dog as defined in current law.

An insurer may require that the insured provide:

written certification from the insured that the dog provides little risk based on the dog's nature and history; and written certification that the dog provides little risk based on the dog's nature and history. This may be in the form of a statement from a licensed veterinarian, a statement from a licensed dog trainer from a canine obedience school, or a canine good citizen certificate from the American Kennel Club.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** I support the bill. I am a vet and had a client who had an 11 year-old mixed breed dog. She had the same homeowner insurer for 12 years. When the client told the insurer that the dog was part German Shepherd, the insurer cancelled the policy. I understand insurer's concerns, but it is the owner not the breed of dog they should be concerned about. Underwriters should look at it on a case by case basis. They should focus on the responsibility of the owner, this would encourage owners to be more responsible. This is a serious issue and a serious bill. There is a problem. Animals are classified by breed, not risk. Homeowners are told to choose between a pet and insurance. Many breeds aren't apparent by appearance, mixed breeds in particular. I have done studies on canine genetics, no breed of dog is disproportionately responsible for bites or harm. Judge dogs by deeds not breeds. People have lost coverage, been denied coverage due to the breed of their dog. If people can't get insurance, they won't be able to own certain breeds of dogs.

**Testimony Against:** Insurance is about accurately classifying risk. We don't want some insureds subsidizing other insureds. The bill will require those kinds of subsidies. As a class, some dogs are a different risk than others. Dog bite losses are significant. Not all insurers make a distinction on breeds, that show a competitive marker. We don't want to allow a "free bite." Different insurers rate and account for the risks differently. Actuaries should determine these types of issues, not the Legislature. The "one size fits all" nature of the bill doesn't serve the issue well.

**Persons Testifying:** (In support) Representative Tom Campbell, Prime Sponsor; Lisa Christensen and Dee Robinson, Puget Sound Doberman Pinscher Club; Robert Reder, The Humane Society of the United States; Jeff Helsdon, Seattle Kennel Club; Glen Bui, American Canine Foundation.

(Opposed) Mel Sorensen, Property Casualty Insurers Association and Allstate Insurance Company; Jean Leonard, Washington Insurers and State Farm; and Cliff Webster, American Insurance Association.

**Persons Signed In To Testify But Not Testifying:** None.